

**COMMUNITY REDEVELOPMENT AGENCY
TUESDAY, AUGUST 28, 2001
CITY HALL
CITY COMMISSION CONFERENCE ROOM - EIGHTH FLOOR
100 NORTH ANDREWS AVENUE
FORT LAUDERDALE, FLORIDA**

BOARD MEMBERS

Present

Commissioner Smith	X
Commissioner Moore	X
Vice-Mayor Katz	X
Mayor Naugle	X

Mayor Naugle stated that Commissioner Cindy Hutchinson would be arriving at the meeting shortly.

Mayor Naugle stated that the Board would be hearing presentations on their request for proposals for the Las Olas Intracoastal Municipal Parking Lot. Staff would begin the presentation followed by a 10-minute presentation by each proposer. Public input would then be welcomed followed by a Commission discussion. If there were no objections to such a format, staff would proceed supplying any additional or background information they may have.

Mr. Johnson stated that he wanted to thank the Mayor and the Commissioners for attending today's meeting, which was a follow-up to the May 1, 2001 meeting at which time three proposals were received for the lease and development of the Las Olas Municipal Parking Lot. It was the Commission's decision at that time to ask staff to review the financial qualifications and financial viability of the top two-ranking firms.

Mayor Naugle stated that Hall of Fame, which had been ranked second by the RFP Evaluation Committee, had been eliminated by a subsequent vote of the Commission. A comment was made that most of the members did not agree with that statement, but the meeting needed to move forward. Mayor Naugle replied that the ballots from the subsequent vote had been saved.

Mr. Johnson stated that the remaining firms, Palazzo Las Olas and Las Olas Landings projects, provided an analysis as to their financial viability and qualifications. Assisting in the preparation of this analysis were members of City Staff and outside consultants as follows: Chuck Adams, Manager of Redevelopment Services and Marine Facilities; Damon Adams, Director of Finance; Chris Barton, Planner III; Bruce Larkin, Director of Administrative Services; and Doug Gottshall, Parking Systems Manager. Outside consultants who also provided their expertise were: Barry Abramson & Associates for

Project Cash Flow Analysis; Bob Miller, Review Appraiser for Validation of Key Market Assumptions and Fair Value Compensation; and Jim Moran of Walker Consultants for Public Parking.

Mr. Johnson stated that in conducting this review, as indicated by Mayor Naugle, and after a quick overview by staff, each proposer will be given 10 minutes to summarize their presentations, and under the Mayor's direction the Commission will accept public input, followed by deliberation.

Mr. Chuck Adams explained for the benefit of all present at today's meeting that a summation would be given concerning pertinent information that was submitted. The site would be reviewed looking north on the north side, which was north of the Las Olas Bridge. The South side of the property was a combination of the parking lot and Redevelopment Parcel A, which was a combined piece of property as shown on the map. He explained that Redevelopment Parcel B would be referred to and was shown on the map as east of East Las Olas Circle. In reference to this piece of property both proposers have a presentation for development of a park, welcome center, and open-air type structure. Both proposals were consistent in that they were proposing condominiums for sale on the property to the south. The difference between the two proposals consisted of the number of units in each project.

Mr. Adams further stated that the commonality and differences between the proposals for the property on the north was essentially the Las Olas Landings Project, which intended to build approximately 1,000 spaces to be utilized for public parking. In addition, they were proposing three buildings situated on the site, which would have a combination of residential condominiums for sale, as well as 40,000 square feet of commercial space, supplying 6,000 square feet of that for a restaurant.

Mr. Adams further explained that on the Palazzo Las Olas Project, they proposed 68,000 square feet for retail, and 7,000 square feet of that for a restaurant. This project would have a combination of rental apartment units, along with condominiums for sale. He stated they would provide public parking in a phased approach. Differences were noted in staff's analysis and the developer's analysis, but overall there was only a 3-space difference. Their proposal was to provide essentially 731 public spaces, of which 685 would be the paid parking spaces. In the future, they would propose to expand the buildings along the north side. Two options were being presented. One would require two buildings with one placed in the center and one towards the north to be raised, including the building to the south, one level and would produce 308 additional parking spaces. The option discussed the most was Option #2 which would yield 330 additional parking spaces and would require the center building increased by two levels. Mr. Adams explained that he had just presented a very general overview of the site.

Mr. Adams then referred to Exhibit #2 of the Memorandum provided to the Commission. He stated that he would explain the salient points of each presentation in summarizing the projects. He continued that the parking breakdown was provided on page 5 of this

exhibit, and explained that this exhibit showed the side-by-side comparison of the two proposals and provided a breakdown between the various parcels. The land area in the Arvida proposal was based on what had been advertised in the RFP, with the exception that in the RFP they allowed proposers to give a reconfiguration of East Las Olas Circle in order to create a pedestrian promenade. The Palazzo proposal would require additional land area to accomplish this goal and would also require some additional right-of-way that was not contemplated on the south side of the property. Mr. Adams explained that the differences in the square footage between the two proposals would figure more prominently when the FAR calculations were presented. The total building area for the Arvida proposal, including both the north and south side breakdowns, would be 1,249,400 square feet vs. the Palazzo proposal at 1,027,333 square feet.

Mr. Adams then explained that in regard to the FAR calculations in terms of the base property set forth in the RFP that on the north side Arvida would be at 3.95 and the south side would be 5.52, which calculates to an overall FAR of 4.46.

Commissioner Moore stated that he thought this meeting was going to concentrate on the financial issues, and he believed that the information presently being given had already been supplied at the first presentation by the proposers, and he would rather proceed with the issues specified for this meeting.

Mayor Naugle asked Mr. Adams to answer his question regarding the height of the building before proceeding to the financial issues, and Mayor Naugle wanted the two additional stories in the proposal by Palazzo Group to be included in that figure. .

Mr. Adams referred to page two of Exhibit #2 and explained Option #2, which supplied the least impact and would net 308 parking spaces, which added 10.5 additional feet to the proposal.

Someone stated that one of the proposals consisted of six stories and on the second proposal one building would be seven stories. Mr. Adams confirmed that fact. It was stated that the answer to the Mayor's question would be Option #1 with the maximum height on the north side of six stories, and Option #2 with two buildings at six stories and the third building having seven stories. Mayor Naugle stated that Mr. Adams had previously mentioned two extra levels. It was stated that they would begin building with five stories with an option to add on an additional two levels.

Mr. Adams explained that the option, which added one additional story to all three buildings, added 10.5 feet. The other option would add two floors raising it 21 feet on one building. Mayor Naugle stated that one building would then be 76.5 feet.

Mayor Naugle stated that if no one objected to Commissioner Moore's suggestion, they would proceed to discuss the dollar value of public improvements and the comparison between both outlining what part of the expense would be placed on the City.

Mr. Adams referred everyone to Exhibit #3, page 3, the Financial Capacity and Feasibility Review. He explained that page 3, 3(a) and (b) showed the detailed comparison of the total cost of the Arvida project against the total cost of the Palazzo project. In relation to the Las Olas Landings Project, the total cost would be \$130,859,963 and within this, the costs would be allocated between private taxable improvements and those improvements to the CRA of which \$14,000,000 would be for public improvement costs versus \$116,859,983 for costs allocated to the private development, which would be taxable. In regard to the Palazzo Project the originally proposed project cost was \$74,929,000, which had the allocation between public and private at \$23,371,904 for public costs and \$51,557,096 for private costs. Subsequently, during the last series of questions and the information that had been provided, the Palazzo Group made it clear that they were withdrawing part of their original proposal dealing with meeting a shared parking reduction. The original proposal stated this would be built with public parking and a shared parking reduction for about 318 spaces. Questions were still being raised and answered regarding this, but in regard to this concept, if the shared parking was withdrawn and substituted by sharing the revenue of those spaces with the City, the cost associated with those 318 spaces should possibly be shifted to the private allocation. Mr. Adams explained that if this were done, this would essentially cause a shift in approximately \$3,975,000 without affecting the total cost of the project. This would then say that the benefits to the public for the project were \$19,396,904.

Mr. Adams further stated that the difference of the cost being allocated to the public of \$23,000,000 versus \$19,000,000 depended on how the 318 spaces would be associated with the project as to whether it would be public or private.

Mayor Naugle stated that in regard to the Palazzo and the Las Olas Landings projects he had a question regarding the utility relocations. He said it is his understanding that \$2.4 Million would be spent on the relocation of utilities for the Palazzo project, but on the Landings project there would be no utility relocation expense. Mayor Naugle asked how this was reconciled, and if one project really required relocation of utilities and the other did not.

Mr. Adams stated that Mayor Naugle was correct. The way the Palazzo team presented their project it would require substantial relocation of utilities consisting of more improvements regarding public walkways, landscaping, and irrigation. He explained that a good example was the City's Lift Station on the far north of the project because that would be in the direct path of the proposed promenade. The cost encompassed at least \$831,000 of the proposed costs for relocation. Mayor Naugle asked if the developer would bear that expense. Mr. Adams explained that they were allocating the cost as a public improvement benefit and would be part of the \$23,000,000 figure. There would be no cost to the City at this time. Mr. Adams further explained that neither proposal at this point in time was asking for the City to financially participate as currently being presented.

Mayor Naugle clarified that due to the park, promenade, and relocation of utilities the developers' contribution to the City would be to make these improvements on public property, including the garages, for \$23,000,000 and \$14,000,000. Mr. Adams confirmed. He further stated that the Arvida proposal essentially worked within the framework of the existing street system and did not require utility relocation. Mayor Naugle asked about the \$14,000,000 Palazzo had allocated for the garage and if 1,000 spaces were for public use. Mr. Adams stated that the 1,000 spaces would have been part of the \$23,000,000 in cost. Mayor Naugle went on to quote from Exhibit #3, page 3(a) stating that "...the parking garage was equipment storage for \$14,000,000..." and asked if this was for the 1,000 spaces. Mr. Adams confirmed that fact. Mayor Naugle asked for further clarification as to whether the Arvida project would build 1,000 spaces for \$12,000,000 and Mr. Adams also confirmed that fact.

Mr. Adams went on to further explain that Arvida did not allocate the soft costs and their figures on construction built in the soft costs. Allocations could have been made for additional soft costs for other improvements, but they chose not to do that.

Mr. Adams stated they had prepared the tax revenues generated by each project, which was on page 3 of Exhibit #3. He explained that the significant difference dealt with the schedule. The Las Olas Landings Project schedule was based on beginning with the year 2003 bringing the center point project on line within 2004 and actually have residential sales generated with occupancy. The project would be completed at the beginning of the third quarter in 2006, with 2007 being the first full year that the project would hit the tax rolls.

Mr. Adams then explained that in the Palazzo proposal construction would begin in the third quarter of 2002. Their first full year of completion would be 2005. When the taxes begin hitting tax rolls in 2005, Palazzo would generate about \$929,343, which were combined taxes for the tax increment district and the additional proceeds retained by the City. The Arvida proposal would generate a small amount of money in 2004 of \$123,568, and in 2005 it would generate \$997,150. Once they enter their first full years for sales in 2007, they would generate \$1,544,328 compared to the Palazzo proposal of \$929,343.

Mr. Adams was asked how the figures were generated. Mr. Adams replied it was based on the fact that one of the buildings that included residential sales would go on line and have actual occupancy.

Mr. Adams explained that obviously the project, which cost more, would raise higher taxes.

Mr. Adams was asked if they were receiving more taxes from one project because it had a residential building. Mr. Adams confirmed that it was a larger project, therefore, raising more taxes. If the policy decision would be to have fewer units, then the cost would go down along with the tax generation.

Mr. Adams stated that this was the most significant piece of financial analysis in terms of financial benefits to the City. Discussions were held regarding various other types of revenue, but this summation gave the most information in terms of financial returns for the City. He continued that outside consultants gave extensive help and they would be available for any questions the Commission might have.

It was stated that the Palazzo Group and Catafumo had deficiencies in their bonding capacity and supposedly this had been taken care of, but this matter was not evident in the materials that had been distributed. Mr. Adams stated that this had not been indicated as a serious issue, but a question still remained. A clarifying letter referred to indicated the limitations on the bond were based on the hard cost of construction. This letter went on to give five or six line items of cost, but did not give a total. When they totaled this, the total cost was about \$61,000,000 in relation to the limitation of \$50,000,000. Mr. Adams further stated that the limitation may have been increased to \$61,000,000, but in staff's analysis and report there was a discrepancy and this could be cleared up at the time of construction. Mr. Adams stated that this issue had been included in the memorandum as an addendum.

Another matter raised was that the Palazzo Group's schedule as presented was ambitious, and therefore, there is a question concerning whether or not they could build this project in such a time frame. Mr. Adams confirmed that this was a concern. It was then asked how this determination had been made. Mr. Adams replied that he had spoken to an independent construction management firm about both of the proposals. He explained that he could not retain the firm because they indicated that they would not be able to give a real objective analysis without the ability to sit down and speak with each construction company to review such things as methods of construction. A flag was given though that the Palazzo project does present an ambitious schedule. If the schedule was not maintained, then costs would go up and a question of the project's overall feasibility would arise.

It was asked if consideration had been made for penalties if the project was not completed within the time frame given or bonuses given for an early finish. Mr. Adams stated that these items would be discussed during lease negotiations.

Mayor Naugle asked if any of the other Commissioners had any questions.

Mr. Adams stated that based on information given by the independent construction management firm, the time frame for the Arvida project was totally within reason.

It was stated that a comment was made in the backup materials that one of the proposers would be doing this within a certain period of time, and revenues could still be gotten from the Birch Las Olas Lot. It was further questioned what types of revenues were being received from this lot and how many cars were there at the present time. Mr. Adams replied that the lot currently has about 574 spaces of which 100 are permit parking spaces. The annual revenue being generated at this lot was a little over

\$330,000. Mr. Bruce Larkin stated that the revenue for fiscal year 1999 to 2000 from permits and meters was \$329,650, and revenue from citations which was not broken out specifically to that lot but totaled 25% of the metered parking which was \$268,000.

Commissioner Moore asked if those people would still park on the beach or would this prevent them from going to the beach since the Birch Lot would not be available, or would the revenue be captured at Alhambra or the A-1-A lot. Mr. Larkin stated that he believed the people would circulate looking for other available parking.

Mayor Naugle asked if Palazzo's figure of 1,000 spaces could be clarified. Mr. Adams explained that Palazzo's figure included 685 paid parking spaces and they were suggesting that revenue from the 318 spaces which were required for the commercial parking would be shared with the City at least until the second phase garage had been built. He further stated that the second phase garage had two options, one of which would add 330 spaces plus another 308 spaces.

Mr. Adams stated that he needed to clarify a point because they had over simplified the term of the 1,000 public parking spaces, which included the 30 marina spaces not available for paid parking. Therefore, the Arvida proposal was 970 paid parking spaces, and with 685 paid parking spaces in the Palazzo proposal in the Phase I approach. Mr. Adams further explained that if you added the shared revenue from the 318 spaces and if it was actually 100%, which was not totally clear at this time, this would bring you closer to the approximate 1,000 spaces being offered by Arvida. However, he continued stating that the Arvida clarifications that came in the middle of August did not use the term "shared revenue" but they simply wanted to work with the City and have them manage all the garages. Mr. Adams stated that if you looked at their requirement for commercial spaces, which totaled 199, then you could add that on to their figure and could compare the 1,199 parking spaces.

Commissioner Smith asked if they intended to give all those spaces plus the revenue to the City or did they just want the City to manage them and give them their portion of the revenue. Mr. Adams said that they used different terminology and that was why it was unclear. They explained that the cost would be charged to the Associations and this was unclear if it included the revenue. It was stated that if they were going to build 700 spaces and the City made them add 300 commercial spaces to that figure and if all this was thrown in the pot, the City would then be collecting every time someone parked in the 1,000 spaces. They could possibly be competing with the City's public garage, which was next door, and the City could lose revenue. Mr. Adams stated that was why they began looking at it from the perspective that if both proposals were reviewed from the standpoint of having the City manage the commercial spaces, then this was where you got the 685 plus the 318 spaces, which totaled 1,003 spaces versus the 1,000 from Arvida and the 199 that were required.

Commissioner Smith asked if this could be cleared up and representative from each firm state if the revenue from their 300 commercial spaces would be given to the City.

Mayor Naugle stated this would come out during the presentations and then questions could be answered.

Mr. Adams stated that the review appraiser, Bob Miller, did not perform an appraisal since that was not his assignment. His assignment was to review the information provided by each proposer. He independently tested the pertinent market assumptions and data, including supportable rents, costs to construct, estimated sales revenues, and was comfortable with both proposers' assumptions as they related to the market. He did establish a range of internal rate of return that suggested a little negotiating room. Mr. Adams stated that in conclusion, Mr. Miller estimated the value of the property at \$17,000,000 to \$19,000,000, and in comparing that to the proposed public improvements, regardless of how you looked at the Palazzo proposal and if you accepted all their proposed improvements relating to parks and landscaping, then \$23,000,000 versus \$19,000,000 exceeded the range of \$17,000,000 to \$19,000,000. He further stated that in comparison to the Arvida proposal at \$14,000,000, not factoring in some possible soft costs provided some negotiating room for the City.

Mayor Naugle asked Mr. Adams if he was going to show the difference in the site plans and how it would be treated along the water. Mr. Adams explained that the proposers would do that because both plans had changed in different ways since originally presented. Mayor Naugle stated that one of the proposers had given the City the site plan and one had not. Mr. Adams stated that the Arvida site plan had changed based on the discussion held with the Commission on May 1st stating they could decrease the number of residential units thereby increasing the commercial square footage. He further explained that the Palazzo project did not change in relation to the physical plans. Mr. Adams also stated that there were some problems with both plans as of this time that would require adjustments. Mr. Adams further explained that the difference with Palazzo was the funding plan and the shared parking revenue.

Commissioner Moore asked that in evaluating the financial soundness of Arvida's program, was the new plan or the plan previously submitted evaluated. Mr. Adams stated that the most recent plan had been evaluated. He explained that in Arvida's responses they withdrew the previous submission. Commissioner Moore asked Mr. Adams to repeat his explanation. Mr. Adams stated that in the RFI response they asked each proposer to address not only their changes to the plans, but what aspects of the original proposal could be considered withdrawn, and what other new conditions for approval were they requesting. He explained that in the Arvida response received on July 9, 2001, they withdrew their plan as relating to the original mix of units and square footage, and substituted it with the reduced mix of residential units and increased mix of commercial. Commissioner Moore asked if the new proposal had been received by any one and he was informed the Commission had received it at today's meeting. Commissioner Moore stated that he was concerned that if there were substantial changes they should have received them.

Mayor Naugle stated that he felt the materials given to him over the weekend were light

and he spoke with Mr. Witchen who later provided additional information. Commissioner Moore stated that he received the information at today's meeting and reiterated that they did not have the opportunity to review these materials sufficiently in order to discuss the matter.

It was stated that they should have received at least a phone call stating the material had been delivered to their offices, and they could have picked up the information and had the time to review it properly and felt this was unfair. Mayor Naugle stated that another memo had been delivered around noon today and no one knew it applied to today's meeting and had just appeared in the mail. Commissioner Moore again stated that if recommendations were based on what was shown regarding the tax impact of the square footage of development of the proposed completion of the project, Palazzo only changed their methodology of funding the parking, but Arvida's proposal was drastically different than originally proposed. Mr. Adams confirmed this.

Commissioner Smith asked for some clarification regarding the return on the investment. He stated they had not yet decided if they were going to require an additional lease payment over and above the cost of public improvement. He believed they were going to consider asking for a monthly lease payment for the entire proposal. Therefore, as it stands Arvida was proposing to build \$14,000,000 of public improvements. Palazzo decided to build \$23,000,000 worth of public improvements. The financial people stated that the land was worth \$18,000,000. Arvida was proposing less than the value of the land, but Palazzo proposed over and above the value of the land, which they were informed could be worked out during negotiations. Commissioner Smith asked if they chose Arvida would they start out by making up the \$4,000,000 deficit possibly as an upfront cash payment or give monthly payments equal to that, and if Palazzo was chosen would they receive a refund.

Mr. Adams explained that their observation of Arvida was primarily based on the analysis performed because there could be an additional \$3,000,000 plus of "cash flow" in excess of what may be a market rate of return on investment. He believed it was a fair discussion to see if their analysis was correct and possibly some of this could be returned to the City or go towards other improvements. Mr. Adams stated they were now indicating that the public improvement dollars would be in a range between the \$23,000,000 and the \$19,000,000 backing out the 318 spaces. Commissioner Smith asked if the parking revenue from the commercial spaces would be \$23,000,000 in public improvements. Mr. Adams explained that it depended on whether they agreed that the cost of the private spaces should be allocated to the public side of the cost equation. He further stated that if you looked at this from the standpoint that it was in the range between \$19,000,000 and \$23,000,000 of documented public improvement costs, and you compared it to the appraiser's assessment of \$17,000,000 to \$19,000,000, there was nothing there on the surface to having discussions regarding additional revenues to the City. Mr. Adams stated that the real issue was the funding of the future parking garage and who would pay for it.

Mayor Naugle stated there was an exhibit shown that the Commission had not received and he asked if they could receive a copy of it at the present time. He further stated that in understanding the \$23,000,000, one showed \$19,000,000, which included attorney's fees, but he believed that until he had all this information it was hard to put this together. He suggested they take a break so this information could be obtained.

Commissioner Smith stated that it was philosophically the Commission's decision to make regarding whether revenue received from private parking could be considered public money.

Mr. Johnson stated that if the Mayor desired a hard copy of the information could it be supplied to him so they could proceed with the presentations. Mayor Naugle agreed.

Mayor Naugle asked if anyone had any further questions.

Commissioner Smith stated that in discussing the return to the City, the CRA would have a complete return on property taxes for the units, but when rental units were involved how could this money be tapped into. Mr. Adams stated that this was a very fair question. He stated that he would have Barry Abramson discuss the analysis briefly. Before doing this, Mr. Adams explained that they had interpreted Palazzo's recent response to the funding plan to be that if the City was looking for the project and the developer to pay for all of the public improvements, they would do it, but there would be no further room in the cash flow analysis for future rents whether they were residential derived rents or commercial derived rents. Alternatively, they indicated they were open for discussion on this. Mayor Naugle asked if that was the memo distributed at noon today. Mr. Adams confirmed that fact.

Mr. Adams explained that in reviewing the cash flow Mr. Abramson looked at the analysis both ways to determine if it was in the City's interest to consider some funding participation in the initial project in exchange for getting future rents. He then asked for Mr. Abramson to address the Commission.

Mr. Barry Abramson of Abramson & Associates stated that he was a real estate and public/private development consultant who had worked for the City of Fort Lauderdale in the past. He continued that upon evaluating and negotiating public/private development projects, Mr. Adams asked him to participate in a team fashion with himself and Mr. Bob Miller in analyzing the cash flow from the basis of his local market expertise, as well as reviewing the appraisals that were submitted as part of the proposals. In responding to various comments that he had heard discussed during this meeting, he felt this all needed to be pieced together in order to have it make sense.

Mr. Abramson began by stating that a figure of \$17,000,000 to \$19,000,000 was thrown out as land value and this was something Mr. Miller came up with. He asked Mr. Miller to join in this discussion at any time. Mr. Abramson continued that he wanted to be very careful in this discussion so nothing could be misconstrued. He explained that Mr.

Miller did not do an appraisal, but reviewed appraisals that had been done by others. He approached value from a perspective of looking at the appraisals, and then coming up with comparable land sales as was often done. He then evaluated this and integrated into the analysis a residual value approach based on developer return. If the developer required a certain level of financial return, what could they afford to pay for a piece of land. Doing an appraisal you received one answer from one approach for a comparable land sale, and another from the residual income or profit oriented approach. These would then be matched up and reconciled.

Mr. Abramson stated what they had before them was not necessarily something that could be easily reconciled. Mr. Miller reported that the \$17,000,000 to \$19,000,000 was a current reasonable range. Mr. Abramson reiterated that the Palazzo proposal had about \$23,000,000 of public improvements, which was more than the residual value, which led you to question how this could all make sense. Mr. Abramson stated that without discrediting Mr. Miller's work, he wanted to explain that the \$17,000,000 to \$19,000,000 was not his appraisal nor his estimate of value in a formal sense, but was coming from the comparable land analysis, and as this was discussed they asked the question if land value was trying to be established relative to each proposed project, not necessarily an abstract single land value, what would be a reasonable land value for that project. He explained they came to the issue of how much was each developer proposing to build, as well as the public costs. In reviewing the comparable land sales that were provided in the proposers' appraisals, what was the basis of the land acquisition sale prices, not only on a per land foot, but how much were the developers allowed to build in each of those cases that allowed you to bring it down to more of an apples vs. apples analysis. Mr. Abramson further explained that Mr. Miller had attempted to get from the proposers' appraisers or from his own sources information in the time frame as to what the development capacity was of the comparable land sales. At this point he was not successful in obtaining such information. This would therefore, result in Mr. Miller having to do a full appraisal, which was scheduled for the next round. Mr. Abramson stated they needed to be careful when discussing the \$17,000,000 to \$19,000,000, which was a reasonable ballpark figure, but they needed to keep in mind that it was in advance of getting the level of information from the proposer's appraisers that was needed for each proposal in order to obtain the true residual value.

Mr. Abramson stated that he was going to move forward another step. If the \$17,000,000 to \$19,000,000 was a reasonable figure knowing it could go up or down depending on further analysis relative to each proposal, two proposals by their own projections provided returns in terms of internal rate of return to equity, which was the best way to measure this in regard to profitability for the development, which would be healthy returns. In both cases they would be in a below to mid-30% rate of return level based on the developer's projections. The projections were reviewed and in terms of the assumptions from a market and operating side, there were discrepancies but they were well within a range of reasonableness. He explained that an element, which brought forth a red flag, was the construction costs. Basically, the Arvida proposal seemed to have development costs that were at the high end or above the reasonable

range for that type of project, but the Palazzo proposal was at the low end or somewhat below the low end of what could be expected.

Mr. Abramson went on to state that Mr. Miller had looked at total development costs across the entire project, including the parking garage, and he had looked at it a different way looking only at the finished area of space. He then explained that in taking away the construction costs that related to the public garage, what would be the cost for the building and what was it per square foot against the finished space. Mr. Abramson stated it was in line with what Mr. Miller had found on the total development cost basis where everything was included, showing that Arvida was coming out towards the high end in terms of cost assumption and Palazzo at the low end. Mr. Abramson stated that this could be an explanation as to why on a land comparable basis, if further appraisals confirmed this range, Palazzo's cash flow showed an adequate return on investment. At the same time when you matched the \$23,000,000 vs. the \$19,000,000 of land value, you would think a refund needed to be made, but there was a question about whether they adequately accounted for their construction costs. He explained that on the other hand Palazzo had a well-qualified construction firm. There was no fat on it and possibly they looked a little tight which could or could not be the case. What mattered was that the developer made the project work. If they were low that would account for some of the discrepancy. Mr. Abramson went on to explain that Arvida has significantly higher cost assumptions possibly due to building a better quality product or because their costs were more reasonable.

Mr. Abramson continued that in terms of the issue as to what these projects could afford to pay, if you took their assumptions in review they both looked to provide adequate returns, along with a few million dollars of residual land value that could be obtained in negotiation. He believed it was premature in setting this as a hard and fast benchmark until the City did a formal appraisal. He also stated that, there were other variables, which could be assembled as you saw fit. Mr. Abramson stated that the Palazzo project had approximately \$6,000,000 of hard costs for site improvements, such as infrastructure, parks and things of that nature, where Arvida had only about \$1,000,000. The difference was clearly that Palazzo was going on to the other parcel doing park and promenade type improvements netting the difference at \$5,000,000. He explained that you had to be the judge as to how to spend the money and that this should be taken into account when reviewing the proposals as an in kind benefit or whether you could live without it.

Mr. Abramson stated that another element was the question of parking. He stated that he was confused about this and believed that for Arvida there would be roughly 1,000 spaces that would be provided for the public and the City would benefit from the revenue and possibly might have to operate those spaces. He did not believe the City would receive revenue from non-public spaces and some type of reasonable operating agreement would have to be entered into. He continued that he perceived that from everything he had seen that Arvida was offering 1,000 spaces with the City getting the revenue. In regard to Palazzo, he stated there was a succession of interpretations and

recasting of this and it was an open question as to whether there were 1,000 spaces or about 700 spaces. Mr. Abramson explained that the letter he saw today from Palazzo indicated a willingness to share revenue from commercial spaces, but they did not provide any numbers. He stated there has always been on the table a promise to construct the remaining 300 plus public spaces at some point when certain parameters had been met. He believed they had to recognize that based on the City's analysis of net revenues they could expect from public parking spaces somewhere in the range of around \$400 per space per year. He explained that when you had public spaces to construct their proposal for an add-on could be in the \$13,000 to \$14,000 per space range. He went on to explain that when you took \$400 per space per year and capped it at 10%, it would have a value of \$4,000 to \$5,000, thereby creating a big gap to fill when building a \$14,000 space.

Mr. Abramson stated that another issue was parking utilization or a capacity sufficiency question for the City. He explained that even if the City received the shared revenues from the commercial spaces, whether this met the City's objectives because from a zoning standpoint you were supporting commercial and the goal was to support the project while getting a certain amount of additional spaces for beach front use, on a sufficiency basis those goals were not being met by the Palazzo proposal.

Mr. Abramson stated the last issue was the question of density. He reiterated that the Arvida project was denser and there was an inherent value, a land value per buildable foot. A choice could be made saying we'll accept Palazzo's less dense project and lose money or choose Arvida's proposal and benefit.

Commissioner Smith stated that Mr. Abramson's presentation was very impressive. He re-stated for clarification that if the construction costs were over estimated the return would be suppressed, and if you under estimated the costs the return would be inflated. Mr. Abramson agreed. Commissioner Smith asked if anyone knew the returns on the two projects. Mr. Abramson stated that the Arvida project had a projected equity internal rate of return of 32.6%. Commissioner Smith asked if this was a little low since their construction costs might have been over estimated. Mr. Abramson stated that he could not confirm this, but based on projects he had seen in South Florida this was higher. He stated that the Palazzo proposal had a return of 34.7%. Commissioner Smith asked if there was an industry standard for this type of project. Mr. Abramson stated that obviously the leverage in terms of how much equity vs. debt played a role, but they felt in both cases there were reasonable equity debt ratios. He went on to explain that the factors such as the challenge of going through a public/private process as opposed to buying land caused developers to feel they were entitled to more of a return for the brain damage that went along with this process, along with the risk reward ratio of being in a competitive process. On the other hand once the developer acquired the parcel, they were fairly well entitled of having approval. There was a pre-approval aspect that if an RFP was met, you knew you were in the right ball park as to what the City was looking for and it countered this. Mr. Abramson went on to state that there were a number of different factors that influenced this, including the time frame and risk

involved, especially if the project had condominiums for sale, as opposed to income property. Developers normally looked for more of a rate of return on this because they were either hitting the market right or they were not, and they did not have the luxury of saying things would work out.

Mr. Abramson stated all these factors would come in play, but it was his experience that somewhere in the 20% or 30% range was reasonable. He stated he had reviewed a number of things he had been involved with in South Florida that were public/private projects most of which were income properties which he adjusted for, and he felt that a 25% to 30% range was a reasonable ballpark figure. He explained that Mr. Miller did a lot of independent work that involved discussing this with developers and investors and he also came up with the same range of figures. He also stated that whether you used the 25% or the 30% made a huge difference in terms of residual value that the City could accrue, but he believed it was a good ballpark figure. Based on these projections, he believed both developers were feasible assuming their assumptions were reasonable and it left room for negotiation. Obviously, costs were still a factor.

Mayor Naugle stated that Mr. Abramson had stated that costs were higher for the Arvida proposal, but in reviewing the comparison for the 1,000 spaces Palazzo stated it would cost \$14,000,000 and Arvida \$12,000,000 and asked if Arvida was less on the garage. Mr. Abramson confirmed this.

Mr. Adams stated that Arvida's figures were based on \$12,000 per space and Palazzo was based on \$12,500 per space, which included the full 1,000 spaces. Commissioner Smith stated that \$14,000,000 included the add-on floor. Mayor Naugle stated that on the chart he was reviewing they had allocated \$14,000,000 for the garage and Arvida was less. He wondered if Arvida's construction costs were greater than Palazzo's and how could the garage be \$2,000,000, more which tended to inflate the dollar figure.

Mr. Abramson stated that the garage was a relatively small component of the overall construction costs. He stated that the Mayor was attempting to isolate something amidst the combination of items that were together and the Mayor was correct in saying that Arvida was less expensive on that projection than Palazzo. He further stated that he recalled there was a significant issue relative to the construction format that was to be used. He explained there appeared to be a very clear reason why the Palazzo garage was more expensive to build in terms of how it was to be constructed. Mr. Abramson stated that Mr. Miller took overall costs and looked at this on a per square foot basis. He explained there were too many different things combined for him to feel satisfied with that, so he isolated himself to the finished building, including the 7,000 square foot of City space, which was a bigger number. He then divided those costs by the square footage of space, and arrived at a more significant difference totaling about 50% per square foot.

Mayor Naugle stated that in the Palazzo proposal some of the public costs the City was getting credit for was the \$1.4 Million for the pool, spa and fountain and were these

public improvements. Mr. Adams replied that the proposers would have to clarify this and he had envisioned this as being part of the promenade and landscaping features, but the pool would have to be clarified.

Mayor Naugle asked if there were any further questions for staff.

Mr. Adams stated that he wanted to clarify that the \$14,000,000 for project costs was what Palazzo indicated the first 1,000 spaces would provide and the issue of the 318 spaces might possibly be built into that cost. The \$12,500 estimate was for the Phase II expansion. He explained they were only seeing the costs as related to Phase I.

Mr. George Platt, Esquire of Shutts & Bowen, P.A., stated he was representing the Palazzo Las Olas Group LLC known as Palazzo. He explained that all their team members were present and would be willing to answer any questions. He stated they were appreciative of the top ranking they had received the first time around and reiterated that this was a challenging process. The conclusion ultimately reached after reviewing all information was that Palazzo Las Olas had the financial capability to do the project and was financially feasible. He further explained that in a few moments Stephen Tilbrook would present a few points and possibly attempt to answer any issues that may have arisen in the course of the presentation.

Mr. Platt stated that they had hoped to receive a final confirmation of the ranking so they could proceed to the next stage of the project, which was negotiation. He stated this was where "the rubber met the road" and a lot of issues got sorted out in more detail. He explained that he believed all information requested had been provided. He then introduced the Chairman of CL Financial and lead principle of the team, Lawrence Dupree.

Mr. Dupree stated that their team was committed to a project that would meet the City's beach redevelopment objectives and be an asset to the City. He stated their team was characterized by their financial capability, experience and diversity. He explained they would answer any questions presented to them.

Mr. Stephen Tilbrook, Esquire of Shutts & Bowen that this project remained unchanged since the original proposal submitted. It included a neighborhood compatible and environmentally sensitive low-density, high quality project. Regarding neighborhood compatibility, he stated there was a compatible design, which was attractive, and a luxury product. There would be three new parks located on Parcel B along the Intracoastal, along with a new promenade along the north end of the project. Mr. Tilbrook explained that this project far exceeded the requirements for green space and landscaping. He also stated they had received an endorsement from the Central Beach Alliance. He further stated that this project would further enhance the promenade. He explained there would be three buildings on the north side that were five floors of a significant parking garage wrapped with residential and community specialty retail services. Mr. Tilbrook further explained there would be 75 luxury condominium units on

the south side of Las Olas Boulevard. The floor area ratio would be 3.27 and the maximum floor area ratio was 6. He stated they made a concerted effort to balance the competing interest of density and compatibility.

Mr. Tilbrook further explained that this project met and exceeded all of the requirements in the RFP. He then proceeded to show photographs of the public facilities to be provided in the project, including 1,064 public parking spaces, a new waterfront park and welcome center. On Parcel B he showed there would be upgraded and improved landscapes along the Intracoastal with a pedestrian promenade, a public park at Cortez and Birch, two trolley stops, new roads connecting Birch with Las Olas Circle which would enhance vehicular transportation, including new municipal facilities at public safety stations, lifeguard headquarters, restrooms, and beach equipment storage. He further explained that a significant expense at relocating and upgrading utilities to make the site developable would be undertaken. Mr. Tilbrook stated that the total value of their public improvements was in excess of \$23,000,000.

Mr. Tilbrook stated of particular interest were the public parking components of the project and proceeded to show graphics of how they met and exceeded the RFP requirements. He stated there was a lot of discussion regarding the 1,000 parking spaces and stated the project provided for 1,064 public parking spaces, in addition to the spaces required for commercial and residential uses. The initial project had 734 public parking spaces and the RFP permitted a project with 600 in the initial phase. This project would provide financial guarantees and irrevocable letters of credit to guarantee the completion of the parking garage at the appropriate time. Mr. Tilbrook proceeded to clarify that the proposal did not include a revenue sharing arrangement for the commercial spaces, but dedicated the revenue from the commercial parking spaces to the City of Fort Lauderdale who would receive revenue from 1,000 spaces beginning the first day of the opening of the project. It did not include a staging program. He also explained that they would provide whatever financial sureties and guarantees would be necessary. He also stated that their clarification on the bonding documented sufficient construction bond capacity to construct the hard costs of the project. Mr. Tilbrook reiterated that they also had the ability to provide whatever performance bonds and guarantees that would be necessary for the development of this project. He explained that his client was making a commitment to the City of Fort Lauderdale.

Mr. Tilbrook stated in summary that the most important conclusion of this analysis was the fact the City of Fort Lauderdale had determined that both projects were financially feasible and both applicants were financially capable. He reiterated that his client could build this project and make a return on his investment, finance it, and complete it. He explained that this was the conclusion of what was supposed to take place in the request for additional information.

Mr. Sidney Calloway, Esquire of Shutts & Bowen stated that in addition to providing some of the assets talked about with the project, they were firmly committed to ensuring local participation and minority participation, not just in the development of the RFP, but

also in regard to the construction of the project.

Mr. Platt said that the City stated what they wanted and it was the culmination of years of visioning and planning and discussion relative to this area of the beach. He believed they met all of the Commission's objectives and stated Arvida was a great developer, but clearly they did not load the area with additional concrete in order to add more tax base, but instead they tailored the project to what the City desired. There will be good tax base and the owners of the rental apartments and condominiums will pay taxes, along with the commercial end. There will be significant tax revenues flowing into the CRA from this project, which will help in the overall redevelopment of the area.

Mr. Platt asked if they wanted to hear the next presentation before asking any questions. Mayor Naugle stated that questions would be asked at the end of the Arvida presentation.

Mr. Donald Hall and Courtney Callahan, Esquire represented Arvida in the project known as Las Olas Landings. Mr. George Casey, President of Arvida's Southern Division, will speak. Also present were Roy Pasco and Tom Siegel of Arvida and Mike Cannon who did the economic analysis for the proposal. Mr. Hall stated the project had changed from the original proposal, but the change was slight and prompted by what was learned at the Commission's May meeting to increase commercial and decrease residential. He explained that a point of contention had been the development of Parcel B. They were to develop that parcel, but the proposal now before the Commission designated that parcel as a park. He then introduced Mr. George Casey.

Mr. George Casey thanked City staff for all their hard work. He explained that he would go through, in quick format, some of the key adjustments that were made from the original proposal. He stated that a summary of the original proposal and the current proposal had been distributed to the Commission. Mr. Casey stated that if you looked at the residential side of what was done, the building layouts remained the same except for the elimination of the building on Parcel B turning that into a park. He explained that the number of residential units had dropped from 341 to 241, partially by eliminating the east point building and partially by increasing the average size per unit. They went from an average 1850 sq. ft. unit to a 2150 sq.ft. unit. He explained that they also eliminated some units in the center and north point buildings. Mr. Casey further stated that the net result was a reduction of 100 units. He explained that in the center point and market place buildings they took some of the square footage and converted it to retail use on the first floor bringing that space up from 25,000 to 40,000. He also stated that this would be neighborhood commercial uses, such as market, pharmacy, dry cleaner, and restaurants, along with some tourist uses.

Mr. Casey went on to explain that many discussions were held regarding the parking spaces. He stated they would provide 1,000 spaces for the City, in addition to the spaces required for the uses that would be created. He explained that the project would be phased so that some City spaces would remain in use during construction. Currently, he explained they conformed to the City parking regulations. Mr. Casey

remarked that in terms of public spaces and uses, they would provide substations, lifeguard headquarters, equipment storage, and restrooms in the center point garage, and a park would be created on Parcel B. Mr. Casey further stated that they took the extension of Poinsettia Street and converted it into a landscaped mall keeping the pedestrian connection between the beach and the Intracoastal.

Mr. Casey stated that in terms of finances the net affect of eliminating residential units and offsetting them with retail, reduced the assessed value created on the original proposal and reduced the tax benefit of build out, but the tax benefit was still greater. The project construction schedule, due to the simplicity that had been created, had been cut by about two years. The completion of the parking garage for the center point would still be 2003. Mr. Casey explained that the finances were very simple. They were not asking the City to finance anything and the garage was provided. The property would not be encumbered during building. He believed they would deliver a high return to the CRA and the City and to the year 2014 that would be approximately \$5,000,000 additional to the other proposal. After that there would be approximately \$300,000 more to the City for the next 90 years.

Mr. Casey stated that they created places and had been involved in many projects of this type. Regarding public improvements, Mr. Casey stated that the simplicity rule applied. They chose not to allocate things all over the place and the garage was a public improvement. Landscaping and pro-rated developer fees could have been included, but were not. They reviewed those as project costs and were there to make the project work. The other matter to look at was that there were two cash flow items. One was the garage and the value received from it, along with the value out of the units totaling \$5,000,000 over a 10-year period.

Mr. Casey proceeded to explain that the center point building was where the first 600 spaces in the garage would be, along with the 24 condominium units and about 18,000 sq. ft. of retail. The issue of the 1,000 parking spaces consisted of two things. One was the market place garage and center point garage where there would be 51 residential spaces. The 132 retail spaces being provided would be operated by the City and would operate on a voucher system. The other revenues would go to the City.

Mr. Casey then stated that the construction costs were more on this project for several reasons. They were selling for more but what was lost in the thought process was that they would be doing something very hard which was selling condominiums on leased land. By doing that, he believed you had to provide a higher value in the unit to compensate for the negative. So in building up the constructions costs, they provided more things because underneath the condominium there was no fee simple.

Finally, Mr. Casey stated that if you looked at this project, he did not consider the changes drastic. They were attempting to respond to matters discussed at the Commission meeting in May, along with input from the Central Beach Alliance.

Commissioner Smith stated that he had some questions for each group. He stated that the Palazzo Group had stated in their report that they had to lease additional City land and needed a vacation of right-of-way, but he wanted to know where the additional lease area, other than what was offered, would be located.

Mr. Tilbrook stated they would show on their site plan the area of Las Olas Circle where Palazzo Las Olas was proposing a new park and promenade. A new riverwalk would be built along the Intracoastal providing retail amenities and upgraded luxury rental facilities, but in order to accommodate that design they had modified the lease area to accommodate substantial modifications to the site plan. Commissioner Smith stated that presently when you came around Las Olas Circle and went under the bridge you connected to Birch by one of the first two roads. Mr. Tilbrook explained they had an extension at Poinsettia and Banyon. Commissioner Smith asked how far up would you be able to drive on Las Olas Circle. Mr. Tilbrook explained that the entire walkway was prepared to accommodate vehicles, but not through traffic and would be monitored by the marina.

Mayor Naugle asked if you vacated this wouldn't half of it go to Portofino. Mr. Tilbrook replied that they were not contemplating any vacation of right-of-way and that was a mistake in staff's presentation. The only thing they were doing was changing the use of public lands from road to park. Currently, Las Olas Circle was not a right-of-way, but was part of the platted property.

Commissioner Smith stated that this could be an overlook or pedestrian amenity. Mr. Tilbrook stated that it could be a great architectural statement location at the water taxi stand and they would welcome any input.

Commissioner Smith stated that Mr. Tilbrook was not clear on the parking issue in his report. He asked if they were willing to have the City manage all the parking. Mr. Tilbrook stated they were willing to have the City manage it. Mayor Naugle asked if that included the City getting the revenue. Mr. Tilbrook confirmed that fact, but stated it was with the exception of the residential parking where there would not be a fee. Commissioner Smith asked if that included the additional spaces that would be added in the future. Mr. Tilbrook agreed. Mayor Naugle asked if 100% of that revenue would also go to the City. Mr. Tilbrook replied that was a more difficult question because they would be financing the extension of the garage with the retail revenue from the retail parking, but they did have the ability to review that issue later on. Mayor Naugle asked when they did that what assumption was made on the hourly rate. Mr. Tilbrook replied they based it on the existing hourly rate, the same rates the City was applying in their facility. Commissioner Smith asked if that was \$1.00 per hour and Mayor Naugle replied that it was \$1.00. They were informed that it was \$.75 before 7 p.m. and \$1.00 after 7 p.m.

Commissioner Smith stated that one of the concerns he had was that they appeared to be headed by more of a financial outfit and saw a void in them not having an expert

developer. He further stated that most firms were specific developers who brought in the financial and construction people. He asked if this could create a problem if they were awarded this project.

Mr. Tilbrook re-stated the pertinent members of their team, which were Lawrence DuPree, Chairman of CL Financial, which is a holding company with development and financial interests worldwide. Dan Adache of Adache & Associates is the project manager and is also the Chairman of a development company based in Fort Lauderdale that has done hospitality and other development projects around the country. Dan Catafulmo of Catafulmo Construction, a development and contracting company.

Mr. Dan Catafulmo stated that they were part of the co-development team. He explained that for the last seven years their company had been ranked as one of the top three development firms in South Florida and averaged about two million square feet per year per development for fee simple. They currently had about three million square feet under construction and development in South Florida. He explained they were the developer and the contractor on those projects. He further stated that it was important to bring in a developer who also understood construction. This enabled them to keep the projects clean, meet the residents' needs, and also meet management's needs.

Commissioner Smith asked if any of their projects were of this magnitude. Mr. Catafulmo replied that some of their projects exceeded the magnitude of this project. He explained that presently under construction was Legacy Place in Palm Beach Gardens, which consisted of 384 apartments, 399,000 sq. ft. of retail and 64,000 sq. ft. of office space. He further stated that they were the developer and contractor on that project. Mr. Catafulmo also explained that presently under construction was a 20-story condominium and three twin towers consisting of 325,000 sq. ft.

Mr. DuPree stated that CL Financial was a conglomerate and had as one of its major subsidiaries a large development company. He explained that they had done developments in the Caribbean and were presently constructing a project in Trinidad. He stated they were expert developers. In reference to them being an insurance company, he explained that in looking at most insurance companies they have rolled out into financial companies, and inside those companies you had development companies. Mr. DuPree went on to explain that they had developed projects on Florida's west coast also. He stated that he felt that their company could make a significant contribution to the City and the beach area and that they had the experience as a developer and were financially capable of such a project.

Commissioner Smith asked if the bonding capacity could be clarified. Mr. Catafulmo stated that their bonding company was AIG and their bonding capacity was \$200 Million. He explained that the letter the Commission had received had one large aggregate number and the project is to be done on two sides of the street and their capacity is \$200 Million and this was taken care of and they could bond it.

Commissioner Smith stated that if their group was chosen for the project they would have to make the City feel comfortable about that matter. Mr. Catafulmo stated they could get a clarification for them. Commissioner Smith stated that he was suggesting incentives for an early finish and serious penalties for late completion. He asked if both groups were agreeable to that suggestion. Mr. Tilbrook stated they were prepared to participate in such type of negotiations and agreement. Arvida also agreed to such suggestions.

Commissioner Smith stated that he was also concerned about the control of the retail mix due to a move of the economy so retail space could not be rented to businesses that were not appropriate for the area. Mr. Tilbrook replied that his group was interested in negotiating mechanisms for reviewing the character of the retail. He explained that the Palazzo Las Olas project included specialty resort retail and community retail and felt there would be a compatible mix and would not exceed certain percentages for either type of retail.

Mr. Platt stated that the logical way to do this was that when everyone sat down to negotiate you needed to look at the area in terms of the kind of zoning overlay that was desired and the types of standards and criteria the City wanted. He further stated that you did not want individual approval of each tenant and should focus on character and criteria.

Mr. Casey stated they allocated uses and restricted them so the desired mix was always present, thereby maintaining high values in the property. He further explained that creating the right mix for the community was part of the magic on how to do place making. He explained that they knew how to do this and then built it into their legal structure through the leases and deed restrictions, which preserved the value and kept good retail.

Commissioner Smith stated that he had some concerns about some of the building being done in the central beach area mainly regarding construction practices and the problems created in a limited space. He asked if both groups were committed to the new construction standards and principles and not close roads without approvals. Mr. Platt replied that in their presentation done at the May meeting they pledged that they would follow those restrictions. He stated that this was done in high quality development.

Mayor Naugle asked if any other Commissioners had any further questions.

Mr. Catafulmo stated that they specialized in building on tight sites. He explained that they had weekly meetings with the residents and as construction begins the buildings were completely wrapped and screened from pedestrians and debris. He also stated that they were cleaned daily by three or four laborers. He also stated that OSIA inspectors were on the site and every superintendent and project manager had OSIA certifications.

Commissioner Smith stated that Mr. Catafulmo had written in his comments that they would have someone available 24 hours a day. Mr. Catafulmo confirmed that fact and stated he would also be available at any time.

Vice Mayor Katz asked about the credit ratings and guarantees for both groups. Since most of the work done by Palazzo was in Trinidad and other areas, she wanted to go on record that they would be willing to provide either a letter of credit to back up lease payments or a surety bond from the United States.

Mr. Tilbrook stated that CL Financial had significant investments and liquid assets in US based institutions and that CL Financial and Palazzo Las Olas were committed to dedicating sufficient resources to pledge a performance guaranty and an irrevocable letter of credit to guarantee completion of the project. Mr. Casey also agreed on behalf of Arvida.

Mayor Naugle stated that he wanted to ask the Palazzo Group about the public pool and spa that was listed as part of the public improvements. Mr. Tilbrook stated that he was looking at Exhibit 3-3-A which was identified as The Project Summary for Palazzo Las Olas and stated the project allocated public and private improvements and identified a water taxi spot, fountains, a pool and a spa. He stated that in regard to the pool and spa an error may have been made as to whether this was a public improvement. They attempted to allocate the costs attributable to the parking garages to the public side of improvements, and the private side would include the rental facilities. It appeared that the communal rental facilities were attributed to public costs and those could be removed. He further stated that they believed the water taxi stop and other improvements along the Intracoastal were attributable to public facilities. Mayor Naugle asked Mr. Tilbrook if he could point those out on the drawings. Mr. Tilbrook stated that the public facilities and the promenade included upgraded facilities along the Intracoastal. Mayor Naugle stated that Mr. Tilbrook had pointed out the building for the Dock Master's Office. Mr. Tilbrook remarked that he was including site improvements surrounding it. He explained there were enhancements to the Dock Master's Office to bring it into character with the upgraded architectural improvements of the surrounding buildings. Mr. Tilbrook went on to explain that there was a promenade improved vehicular transportation road, as well as a pedestrian promenade and marina enhancements.

Mayor Naugle asked where the water taxi landing was located. Mr. Tilbrook showed this location on the map and continued to explain where the new park would be situated. He went on to state that Paul Kissinger could explain this in more detail. He explained this was a conceptual plan that had allocated costs for public improvements and was not a detailed design for DRC review.

Mr. Paul Kissinger of EDSA and designer of the public improvements along the waterfront stated that the public promenade would have special paving, vehicular access, enhanced landscaping and a new park facility with a pool. He explained this

would not be included in the public improvements because the pool and spa would be amenities for the rental units. Mr. Kissinger stated that at the last meeting he had mentioned "roof-a-texture" which was creating pleasing elements on the top of the roof structure. He continued stating there would also be a welcome center, two trolley stops, and a water taxi stop.

Mr. Tilbrook stated that their contractor gave his estimate of the costs for the improvements for the pool and spa area, which totaled approximately \$175,000 to \$200,000, which could be backed out of the \$23,000,000.

Mayor Naugle asked if Arvida could state if they had any expenditures for landscaping or anything that was not calculated in Mr. Adams' exhibit. Mr. Casey stated that many of the things that the Palazzo Group included in their public improvements, Arvida included in their private improvements. Essentially, he explained they would maintain the walkway, which went around the waterfront and enhance the landscaping. He stated the roof was included in their building costs. Mr. Casey explained that they had taken East Point Park and turned it into a public park, which would be maintained by the Association. He stated they attempted to respect the City's request in relation to existing improvements and have not double-credited themselves in terms of their public improvements. Basically, he stated they attempted to create pedestrian landscape areas along the waterfront keeping the boat launch where it presently existed. The option of the lighthouse tower could be put in as a part of the project providing a visual coming across the bridge.

Mayor Naugle asked Greg Kisela if he could show the differences on the charts regarding the \$2.5 Million for utility relocation. Mr. Kisela stated that he would have Hector Castro explain the specifics of the utility relocations.

Mr. Hector Castro, City Engineer, stated that the utility relocations were substantial. He explained there was a 16" water main that would stay that was located in the center portion. He went on to state that regarding Florida Power & Light there were two distinct FPL lines. Mr. Castro stated that the lift station was encapsulated in the north section and it would not be relocated. Mayor Naugle stated that he wondered if some of the costs that were allocated were real costs. He continued the Palazzo group had \$2.5 Million listed for utility relocation.

Mr. Adams replied that some of the costs should be reviewed and tapered down depending on which proposal would be selected. He stated that he would ask the Palazzo Group to clarify whether the lift station on the north side of the property was to be relocated to make way for the proposed promenade. He explained that what has never been clear was where it would be relocated to and whether it would be on site or off site. He further stated that he recalled them responding to that question stating that they would cover the cost no matter what it entailed. He asked them to clarify this in case he had misunderstood the matter.

Mr. Pete Allen of Keith & Schnars stated they did some of the costs associated in the relocation of the utilities for Palazzo Group. He explained they had done the preliminary feasibility study for the site improvements and utility relocations. He stated that their cost estimate was approximately \$700,000 for utility relocation, including the lift station, which had to be moved due to some of the improvements being made. He also stated that some of the sanitary sewer lines had to be relocated on the north side of the project. He continued that the relocation costs were included in the cost proposal for the project.

Mayor Naugle asked where the lift station was to be relocated. Mr. Allen stated it would still be in the same general area and probably at the northeast corner of the project. Mayor Naugle clarified that it would be moved closer to the Portofino. Mr. Allen stated it would be at that intersection. He reminded everyone that the facility was underground.

Commissioner Moore thanked the groups for their presentations. He stated that when they first had the opportunity to evaluate these proposals there was a concern raised in reference to the market being able to support the commercial square footage in the proposed development by Palazzo, yet now he was hearing that Arvida was also increasing their commercial footage. He explained that when Arvida first presented their proposal they had stated it was unsound business to have increased commercial footage. Therefore, he asked why this view had changed.

Mr. Casey stated that in reviewing specific uses they laid out what they had and reviewed what neighborhood uses were sustainable. Basically, they stretched themselves to come up to 40,000 square feet and were concerned about the commercial uses. He explained further that in looking at the history of retail on the beach and downtown areas, the jury was still out as to what could be absorbed and how much was sustainable. Mr. Casey stated that they had to look at the entire area as a neighborhood and not just as their community. Even in a large neighborhood the amount of retail became very constrained. He gave the example of the Galt Ocean Mile and stated this was a large neighborhood and yet the amount of sustainable retail the area supported was smaller. He stated that this was 60% of what Palazzo was proposing. He further stated that these were two very different looks with two different opinions. Mr. Casey believed that in regard to long term, they were sustainable but a little more risky than what they originally submitted. He explained that part of his job was to balance sustainability and risk.

Commissioner Moore wanted to know that with the risk they were taking on due to the expansion of the commercial uses, as well as the reduction of residential units, were they stretching the fact further. Mr. Casey stated they were not because in the reduction of units they were increasing the average size of the unit thereby having only slightly less revenue coming in. He stated they were compensating and the risk was higher since they were going from a \$500,000 price point to a \$600,000 price point, but in reviewing the market they felt this could still work. He believed that their risk profile was a hair more than what it was, but still within a comfortable range to make this a

long-term sustainable project, and a long-term contributor to the broader neighborhood.

Commissioner Moore asked if they had any conversations with the Association and, if so, did that have anything to do with the changes they were making in their proposal. Mr. Casey stated that he had not met with the Central Beach Alliance or any other group, however, it was obvious in their comments that they had certain concerns. He believed they attempted to address some of them and was relying on public input.

Commissioner Moore stated that in Palazzo's proposal they mentioned utilizing local individuals and minorities in their project. He asked what Arvida was doing in both of those areas. Mr. Casey replied that he would rely on their 20-year history and that one-third of their employees and subcontractors could be characterized as minorities. He also stated that about one-half of their work force was women. He stated that their company has a policy of inclusion which they actually followed through on.

Commissioner Moore stated that the Central Beach Alliance had given Palazzo a letter of support and asked if they were able to have further discussions with the Alliance, as well as the methodology in which to bring this in with the time line and their desires. Mr. Tilbrook stated they had not met with the Central Beach Alliance nor the Board since their May presentation. He explained that since May their primary objective had been responding to numerous requests for additional information. The proposal had not changed and they clarified and made sure that the Central Beach Alliance was informed about the proposal. He explained they had talked with them, but had not yet met with them.

Commissioner Moore stated that in regard to the promenade area that was proposed, EDSA had made recommendations for improvements, but was it something the Alliance gave their approval on. Mr. Tilbrook stated they had not taken an official position in relation to the public promenade. Questions were raised regarding vehicular circulation in the area and how it would work with two new roads. Mr. Tilbrook explained that their traffic studies indicated that traffic would work fine, but they were opened to reviewing that in greater detail with the Alliance and the City Commission. He also stated that they would have to go through a full design, development, and site plan approval process.

Commissioner Moore stated that considering all they went through over the years would any of this impact what was proposed with the public amenities or in the promenade area. Mr. Kissinger asked for a clarification of the question. He asked Commissioner Moore if he was questioning whether the promenade would impact any of the public amenities. Commissioner Moore confirmed the question. Mr. Kissinger stated that they would enhance the public amenity of the marina with additional landscaping along with the promenade. The Dock Master facility would be brought in character with the project. He explained this was presented in such form to the Central Beach Alliance with the promenade maintaining emergency access. He further stated that some of the feedback they received was that they wanted to keep it as a circulation route for cars.

He explained there were a couple of ways to do that and in their initial presentation they felt the City Commission would make this decision. Mr. Kissinger explained they could maintain circulation, but it could also be programmed at certain times for pedestrian use.

Mr. Tilbrook replied that one of the primary objectives in the Beach Redevelopment Plan was to provide strong pedestrian links between the Intracoastal Waterway and the Atlantic Ocean. He explained that was where they identified Cortez Street as the strong pedestrian link, as well as the enhanced green space along the waterway. Mr. Kissinger further commented that they felt public access to the water was very important and they wanted to enhance the area.

Commissioner Moore asked about the method of construction, as well as the comments made in the past regarding clean up and protection of the debris. He explained the Commission had heard many concerns about the construction process. He asked what assurances could be given other than the comment that a 24-hour connection would be provided. Mr. Catafulmo stated that when they met with the Beach Alliance this was one of the most important issues mentioned. He explained that they were doing high-rise condominiums between zero setbacks so they were very familiar with the problems. He further stated that they would meet with the project managers on site, have weekly meetings with the residents, and keep the community involved throughout construction. He further stated there were telephone numbers on all the trailers, beeper numbers were given to every condominium and telephone and cell numbers were given for every project manager.

Commissioner Moore asked if they were proposing any improvements for the lighting around the promenade area. Mr. Kissinger replied they were and it would be in context with the design theme of the promenade and the project.

Mr. Gregg Dubaw, Director of Marketing and Public Relations, stated they were familiar with working on tight sites, staging, direction of traffic, and working with the owners in the adjacent buildings.

Commissioner Smith thanked Mr. Casey for hearing the public concerns and their project had been scaled down considerably and he appreciated it, but even though they were a surer bet as far as an entity, he felt the project was denser and offered less public improvements. He further asked if they were at the bottom line or was there room for negotiation. Mr. Casey felt they could make some further concessions. He stated that this was a very complicated project and a lot of it involved understanding what the constraints were. He further stated that they did their best in attempting to create a community that would work and create an opportunity for the City with the parking, which was the key issue in the RFP, and to do this in a community that would be sustainable. Mr. Casey further explained that in looking at the unit mix they had, he would be uncomfortable in increasing the retail. He stated there was some degree of flexibility in the condominium retail. He felt they should look at how they presented

their project since it created more long-term real estate tax revenue to the City, and if they were to cut back, the benefit would disappear. Mr. Casey stated they were trying to take the constraints of the site and the constraints of the RFP and try to deliver to the City what they thought would be the maximum value of the property, including the garage plus the long-term tax revenue. He stated they felt this was a quasi-fiduciary.

Mayor Naugle asked if anyone from the public desired to speak.

Diane Smart, Secretary of the Board for the Central Beach Alliance, stated that she wanted to speak first about the Arvida proposal. She commented that in October 2000, they released their own plan for development of the Birch Las Olas Lot. She remarked that on page 2 they stated that the CBA favored a park-like design. She felt that the remark made by Arvida that this was a new concept was misleading. Ms. Smart stated that they were pleased about Arvida making a welcome center and trolley and taxi stops on Parcel B. She further explained that they still gave an A+ to the Palazzo Group. The \$23,000,000 in public improvements included the promenade and the park, and the Alliance was pleased that EDSA was involved in the partnership and reminded everyone that this was a tourist area. Ms. Smart proceeded to state that the Alliance would like Palazzo to once again review the perimeter road following Las Olas because it was very beautiful with the improvements to the marina and it gave the neighborhood wonderful access and brought tourists all around the waterway. She commented that the Alliance was pleased that the Commission was reviewing this not just as dollar income for the City. They were tired of the maxing out on every parcel being developed.

Mr. Ned Stone of the Sharer Club stated that this was public property and the hundreds of units going up on the beach gave the citizens of the City considerable concern and he questioned the wisdom of the City becoming a real estate developer and pursuing more residential development on the Barrier Island. He believed that there was nothing urgent in this parking lot demand that they had to proceed at this point in time. He stated that a year ago Congressman Shaw met with the Commission and asked for a visioning for the City. Discussions were held about the future of the beach. He cautioned the Commission to take a slow approach. He believed they did not need additional residential development on the beach. He felt they were going to end up with tall structures along the beach and intracoastal with a central valley of under-amenitized property. People were comparing this proposal with the parking garage on the beach and the jail on the river, but he did not feel that was a fair comparison. Mr. Stone further stated that there was considerable objection to the conversion of public property to private profits. He emphasized that he understood that this was a form of justification for getting what was perceived to be parking demands paid for not with tax dollars, but other solutions. He felt that if they were going to develop this site in this way, they should then commit to buying development rights and units taken off the market.

Mayor Naugle asked if there were any other members of the public who wished to

speak.

Mr. John Connelly, resident of Fort Lauderdale, stated that both proposals represented welcomed, appropriate, and positive additions to the beach, but not for the proposed site. He proceeded to direct everyone's attention to the seal of the City. He explained it was a yacht sailing out of the sunset towards us, not into the sunset and on the yacht was a lot of money. He reminded everyone that the boat show last year ran out of exhibition space long before it ran out of exhibitors. He believed the proposed site was vital to the continued success and popularity of an international event that assisted the marine industry locally and contributed income to the economy, than any parking, tax base, or lease income that these proposals would generate for the City. He asked the Commission to take this into consideration.

Mayor Naugle stated that he remained unconvinced the either of these proposals were worthy of selection. He believed the proposal that had been eliminated should still be considered which had about \$36,000,000 in public improvements due to including the new Swimming Hall of Fame. He stated that he had given considerable thought to the land that was north of Las Olas Boulevard, which was a five-acre piece of public land, which would be appropriate to house the new Swimming Hall of Fame. He felt the best thing to do today was to re-issue the RFP and allow everyone to come up with a better mousetrap that the original Hall of Fame proposal came up with for the replacement of the Hall of Fame. If that were not done, they would still be faced with a \$15,000,000 to \$20,000,000 shortfall to rebuild the Hall of Fame. Therefore, he commented that nothing he heard today had changed his mind and he still favored the Hall of Fame proposal.

Vice-Mayor Katz disagreed with the Mayor. She stated that when they made this decision months ago all three proposals were reviewed and they felt that one of the proposals did not have its act together and did not give the City what they were looking for. She further stated that after talking to numerous people, she still felt the same way. In order to compete with the two proposals before the Commission today, the Hall of Fame would have to do more homework, which they have clearly not done. She felt it would be wise for them to reach out to the Hall of Fame because they wanted them to stay. She stated there were ideas and suggestions out there, contractors had reviewed it along with architects, and if there was a ceiling on the part of the Swimming Hall of Fame of being loyal to the City after all those years, they should take the opportunity to sit down with the Commission. She felt there were other options and they should be considered.

Vice-Mayor Katz stated that the two proposals before the Commission today both went through a lot of time, effort and money and as a representative of this City, she felt they did not want to look like Miami and have two worthy developers waste their time. She believed this would make them look very foolish. She believed they had a choice to make between two very professional and economically solvent organizations and they should base their decision on those two proposals. She further stated they could

continue talking to the Swimming Hall of Fame if they so desired at a later date. She recommended that they establish some sort of process for voting since a problem occurred the last time. She hoped that either the City Manager or the City Attorney would help them with this process.

Mayor Naugle stated that the way the selection would be made was that one of the Commissioners would make a motion and it would be voted for or against. Since there were just two there would be no ranking procedure. Anyone who was an advocate of one of the proposals could make a motion to authorize staff to enter into negotiations and then outline some direction, and then a vote would be taken.

Vice-Mayor Katz stated that everyone would have to vote and no one could abstain. Mayor Naugle confirmed that fact.

Commissioner Smith stated that when they were in Orlando for the League of Cities Conference, a dynamic speaker, called Mr. Impact who made a comment which would be appropriate in keeping the Hall of Fame on the Birch Lot which was "when you're riding across the prairie and you look down and your horse is dead, don't say giddee-up, giddee-off." He stated therefore it was time to get off it. He believed there were options for the Swimming Hall of Fame, but many people did not feel this was the appropriate site for it. It was discussed at the last meeting that they wanted to make an effort to convince the Hall of Fame to stay in Fort Lauderdale at an appropriate site. Commissioner Smith stated that he felt the appropriate site was where they existed today. He believed that a message should be sent out to the Hall of Fame that they were wanted and hoped they felt this was the appropriate place for their museum. If they wanted to leave the City, the facilities would survive and the swimming facilities would remain.

Commissioner Smith further stated that he did not want to lose track of why this whole effort started for the Birch Lot. It was mostly because there were a lot of needs on the beach not being fulfilled and they had a substandard surface parking lot that was not accomplishing anything. He stated that the City needed enhanced, consolidated parking at the beach because there was traffic congestion and they needed to find a place to capture the traffic and this lot was perfect for that. He felt they needed to do this today because they need to proceed and the beach was the City's "crown jewel" and a large part of the tax base, which needed improvements and if they had a consolidated parking structure with more parking spaces that was part of the "fix." He went on to state that another problem was that a large community lived at the beach full time and they had shopping needs. Also, it was agreed that a transportation hub with mass transit for downtown and the beach area was a way to move forward. He explained that transportation hubs with trolleys going in and out of the parking areas was the first step and they needed to proceed.

Lastly, Commissioner Smith stated that this was a perfect opportunity to take advantage of the Intracoastal. He felt this would create a beautiful pedestrian enhancement.

Therefore, he believed they should all embrace moving ahead with this lot and using it for public purposes. He stated they needed to choose from these two proposals and he was troubled who to choose because last time it was clear to him that Arvida looked at this differently with the opportunity to build some beautiful amenities on the east side and maximize profit at the same time. He felt they did not deliver what they wanted, but it appeared to be too little too late. This could be postponed and they could continue to negotiate and get them to build a less dense project, but then they would be stalling and once again the project might fall apart. This has been years in the making so he felt they needed to put their faith in the Palazzo proposal controlling it very tightly and make the parameters of the agreement very tight. He believed they should pay for someone hired by the City to look after the project. He was concerned there were so many different entities.

Motion made by Commissioner Smith that the Commission choose the Palazzo Group as the developer and that the City Manager enter negotiations. Commissioner Moore seconded the motion.

Commissioner Moore thanked both of the proposers as well as the Central Beach Alliance for their attitude in giving the elected officials the opportunity to see what was a consensus builder in this process and how the community can utilize this particular site. He was glad that Arvida was once again looking at the City as a development opportunity and hoped they would be involved in another project in the future. He further explained that the reason that he supported the Palazzo Group was the fact that they met with the neighborhood and received input from the group consistently trying to give them what was wanted. Risks will be taken but given the fact they desired to use this public property for the public good, they took the time to talk to that public organization getting their input.

Commissioner Moore further stated that he agreed with Commissioner Smith's suggestion for the City to hire and the developer to pay for a person to oversee and implement the project.

Mr. Platt stated they acknowledged the request for a development monitor to be built into the agreement and would work with the Commission and this would be at Palazzo's expense.

Commissioner Moore stated that this Commission has been a great advocate to the International Swimming Hall of Fame, which could be seen through bond programs allowing them to receive \$1,000,000 in order to take their show on the road. They have been very supportive, but he now wondered if they were supportive of this Commission. He stated that he wondered if this organization was out only for itself and expecting the City to step up to the plate or find some methodology of making their dreams come true through a process that they as elected officials have. He further stated that they needed to be grateful that they had the two developers who have come forward regarding this site and appreciated it.

Commissioner Hutchinson stated that she was still supporting what she originally supported which was the proposal not on the table. She commended the two developers present today. She remarked that she had spoken to some people who had contacted her regarding this and she was not convinced they needed additional residential on the beach due to all the projects piling up at the present time. She agreed that a parking structure was needed and the people living there needed viable retail, but she would still hold fast to her beliefs.

Mayor Naugle stated that he was sorry that Commissioner Smith chose to make a personal attack on him and his support of the International Swimming Hall of Fame, but he stated that he listens to the people and feels he has a sense that this condominium and apartment proposal for the Birch Lot does not have community support. He believed that a majority of the public wished they would move forward with the International Swimming Hall of Fame proposal. He stated that it was Gelo Pez who came up with the idea to make the beach more of a village and have a place to shop and not travel to the mainland to get the basic necessities of life. He supported the retail, parking and transportation hub, but he felt this piece of land was special and significant. He felt that if he was guilty of beating a dead horse so be it. He was accused of this when he was the lone vote on the Commission not to vacate A-1-A back in 1989 when developers stated there would be no development on the beach if the road was not done away with, but he stuck with it. He was also the lone vote on the Commission when the developers wanted to turn the Las Olas Parking Lot at A-1-A into a mega-bar complex, but he stuck with it.

Mayor Naugle went on to state that the community was divided on the issue of the Stranahan House, but he stuck with it and he hoped they ended up with a park at that location. People have different visions of what the City should be and he hoped in the future views could be expressed without personal attacks.

Vice-Mayor Katz stated that she wanted to make a few points. One was that the International Swimming Hall of Fame also had residential and it was on state owned land they had no control over. She explained her vote was in support of Palazzo because it was less dense, it had more public amenities that everyone could enjoy, and she urged the City Manager, once the vote was taken, to enter into negotiations and include the items discussed such as the 1,000 spaces, the City managing the parking and so on, and then if it fell apart in any way, shape or form, then they would move on to the second choice.

Mayor Naugle stated the maker of the motion had to agree that was the intent of the motion and the second.

Commissioner Moore called for the question.

Mayor Naugle stated they were ready to vote. Votes were taken and were as follows: Commissioner Moore - YES; Commissioner Hutchinson - NO; Vice-Mayor Katz - YES;

Commissioner Smith - YES; Mayor Naugle - NO. The item passed 3-2.

Mayor Naugle stated there was an additional item on the agenda, which was the City Hall Space Study, but a short break would be taken first.

Mayor Naugle stated the second item on the agenda was The Space Planning and Feasibility Study.

The City Manager stated that they wanted to go over the space analysis and hoped to have the process broken down into three phases. First, the space needed planning and the second component would be site selection analysis. The memo recommended that should this discussion be dealt with positively by the Commission that they be allowed to narrow the site down to about a half a dozen. After that it would be the actual financing plan and implementation. He explained that he was going to let Pete Sheridan proceed with the presentation overview and the space needs analysis.

Mayor Naugle asked if everyone had the opportunity to read the backup information on this item and was attempting to determine if they needed a 15-minute explanation or a two-minute explanation.

Commissioner Moore stated that he would rather have an opportunity to visit some of the sites before they entered into any discussions. He believed it was good information, but not familiar with the sites enough to propose putting a City Hall or offices on the sites. He believed they would then be better equipped to do it more intelligently. Commissioner Moore asked if this presentation could be tabled.

Vice-Mayor Katz stated that she had totally different concerns and if they tabled this she would like these concerns addressed. One was that since this had been broken down into public administration, programs, public safety, and public services, it meant they could not look at some public services that should possibly be in City Hall that had not yet been reviewed. Since it was separated the way it was, they were not looking at the option of combining some of these and were only looking at what was presently in City Hall and what was out in leased property.

Mayor Naugle felt this covered the leased property, but did not cover the Police Department.

Vice-Mayor Katz asked about the utilities. Mayor Naugle stated it did not include utilities. Vice-Mayor Katz asked if the Mayor thought about whether Parks & Recreation should be in City Hall. The City Manager stated that they looked at the operational departments that were the ones with heavy equipment and strategically made a decision to look at those in another study. He stated they wanted to bring all these things together. Public Services were presently at 38th Street, the Old Compost Plant, GTL and the same with Parks & Rec. They knew they needed to bring them together and they just saw from an administrative standpoint that they would not be akin to a City

Hall Administrative type function.

Vice-Mayor Katz stated that her other question was whether they were taking into consideration what would be an appropriate urban spot to place City Hall and put it together with the police department making more of an urban governmental center.

Mr. Pete Sheridan, Engineering, stated they were looking at many different options and the initial step was through the site presentation. Multiple sites were being looked at for many considerations whether it be a public/private partnership, a public/public partnership or something beyond the needs of a strict City Hall establishment, but they wanted to be able to break this out in looking at all the different sites and slowly based on funding opportunities, redevelopment issues, and many other different elements, and come up with a matrix analysis which would be the next step in helping to determine what would be the most appropriate sites to recommend for further study for inclusion in an RFP.

Mayor Naugle stated that one Commissioner wanted this tabled so he could look at the sites, another Commissioner hasn't seen it, therefore, he is comfortable tabling this, but if there was some refinement that everyone wanted to see before it comes back, the Commissioners should ask their questions now.

Vice-Mayor Katz stated that when they came back there would be an inclusion of Lincoln Park because she was not comfortable with how many departments were going there and were they looking ahead to the future of what all those departments would need in the next 10 years. Also, how was the building going to be built to capture all this in the next 10 years? She continued stating that when the approval was given, she never saw any strategic study of who had to be there or how many, and she believed that was to be included.

The City Manager stated that as part of the design build contract to construct the one-stop shop, the first element was to do a space analysis so they could make sure there was adequate space for those uses and design it so it would not become obsolete during the first part of its life cycle.

Mr. Sheridan stated they were moving forward and a draft submittal showing the needs assessment had been submitted. All information had not yet been reviewed, but they could be prepared to come back in September.

Vice-Mayor Katz stated that would be helpful so that she could see if it coordinates with what was being submitted to the Commission. Mayor Naugle stated that it would be nice to have this included. Vice-Mayor Katz continued stating that there may be an option to put Lincoln Park in City Hall or vice versa. She was concerned they were only looking at this in compact departments and not as a whole picture.

The City Manager stated they could do this depending on when they returned to the

Commission. Mayor Naugle stated they could return when there was time on the agenda to give it a worthy discussion.

It was stated that they were proceeding in the direction the Commission was to construct that site. Obviously, there were many stages and the first was the feasibility analysis and how many square feet were needed.

Commissioner Moore stated that he did appreciate the sites, but was concerned that there was one site that he thought would be a part of this but was not in it, which was property located between the State's building on Broward Boulevard and the property going towards 7th Avenue. They looked at it on the south side of Broward where the museum was, but they did not look at it on the north side. He believed there were a number of opportunities that would be compatible to the pedestrian issue, as well as the fact that the Fire Station was being developed and with the State Building, the City Building, and the governmental center, the CRA, all would still be beneficial. Therefore, he wanted them to add this site and see what impact it could have on this.

It was stated that was their intention to present the number of sites they saw, but they still wanted to ask for input for additional sites.

Commissioner Moore lastly mentioned that there was discussion regarding the demolition and rehabilitation of this site, but nothing placed on the table as to how the garage would be constructed with a building on top. He also asked they consider this option. He was told that when this garage was constructed they did it in a manner that a building could be erected on top of it.

Mr. Sheridan stated they would look into this, but they have not been able to find any material to substantiate that the garage had the ability to go up one floor.

It was further stated that another design concept was putting the piles down through the garage and building above it.

Mayor Naugle stated that this would be brought back to the Commission at a later date.

Mayor Naugle asked if there was any further business to be brought before the Commission. There being no further business the meeting was adjourned.

Respectfully submitted,

Margaret A. D'Alessio